

# Congresswoman NYDIA M. VELAZQUEZ

Representing New York's 12th Congressional District  
Ranking Democratic Member, House Small Business Committee



## Congress Passes Corporate Accountability Bill Attacks fraud, imposes audit control, requires jail terms

In the most sweeping change to the nation's regulation of the marketplace since the 1930s, Congress toughened penalties for corporate wrongdoing.

Wracked by scandals that have led to the two largest bankruptcies in American history - Enron and WorldCom - in addition to concerns or charges about operations at Arthur Andersen, Adelphia, and AOL Time Warner, Wall Street markets have fallen, threatening the retirement of million of Americans.

Led by Democrats, Congress agreed to impose criminal penalties for fraud or signing off on misleading financial statements. The legislation passed creates a new regulatory body for accounting firms' auditing practices, similar to the Securities and Exchange Commission that monitors financial markets.

Under extreme pressure to bolster an uncertain economy, the President is expected to sign the bill into law.

### **CORPORATE ACCOUNTABILITY PROVISIONS**

- Establishes new Public Auditing Regulatory Board
- Ensures that audits are independent
- Ends stock analysts' conflicts of interest
- Expands SEC resources
- Holds CEOs accountable for honest bookkeeping
- Bars wrongdoing officers and directors from moving company to company
- Prohibits corporations from making insider loans to their executives
- Requires timely reports when corporate insiders dump stock
- Bans CEOs from selling stock during 'blackouts'
- Requires real time disclosure of financial info
- Criminal penalties for securities fraud
- Criminal penalties for altering, destroying, or failing to maintain documents
- Gives shareholders adequate time to pursue securities fraud
- Protects whistleblowers
- Compensates victims of securities fraud

## Velázquez Awarded for Kid-Friendly Voting Record Children's Defense Fund Gives 100 percent rating



Congresswoman Velázquez visited a girls club earlier this year.

The Children's Defense Fund Action Council ranked Congresswoman Nydia M. Velázquez among the top House lawmakers on children's issues in 2001, awarding a perfect 100 percent score for her pro-kids voting record. The annual Defense Fund Scorecard has ranked lawmakers according to their vote on 10 crucial bills in Congress for the past three years.

"I am honored to be selected among this group of lawmakers who fight every day for America's children," Congresswoman Velázquez said. "How we take care of the most vulnerable among us and prepare them for the future says a lot about our nation. I am proud of my record in standing up for children in New York."

One of the 10 measures used by the Defense Fund to evaluate lawmakers included Congresswoman Velázquez's own amendment to a spending bill to fund the YouthBuild program with \$10 million.

# Public-Private Partnership Keeps Jobs Under One Roof

## IBK Industries relocates to Empire Zone in Brooklyn

Congresswoman Nydia M. Velázquez joined representatives of the New York Business Development Corporation (NYBDC) and the Small Business Administration (SBA), along with local lending institutions and developers for a ribbon-cutting ceremony to commemorate a newly acquired building for IBK Enterprises, LLC, in Brooklyn.

Small businesses are a critical component of New York City’s economic and cultural life – they account for more than half the City’s jobs and in 2001 alone contributed nearly \$248 billion in sales. The SBA, working with local lending institutions, finances more than 40 percent of all long-term small business loans.

“These loans support the creation of new businesses and new jobs right here in Brooklyn,” Congresswoman Velázquez said. “IBK can now keep 75 jobs under one roof.”

The \$575,000 in SBA loans granted through NYBDC enabled IBK Enterprises, a contracting firm specializing in the construction of commercial build-



**Congresswoman Velázquez visited the opening of IBK Enterprises at its new location in Brooklyn.**

ings and apartment houses, to relocate its business under one roof on a site that is within the boundaries of the North Brooklyn/Brooklyn Navy Yard/East Williamsburg Empire Zone.

# Amendments Help Housing Residents, Homeowners

## Velázquez wins provision to provide jobs and buyer assistance

Public housing amendments authored by Congresswoman Nydia M. Velázquez were passed by an important House panel last month to promote minority homeownership and provide employment opportunities for public housing residents.

A growing crisis in New York City and across the country is predatory lending – the practice of lenders charging very high interest rates and fees, or imposing unrealistic terms – which too frequently can result in the loss of an individual’s home.

Nationally, default rates on federally insured mortgages have more than doubled in the last decade. This year in the New York region alone, default rates on these same loans are three times the national average. A major cause of this is predatory lending practices, and a key way to fight it is through education.

Congresswoman Velázquez’s amendment would create a pilot program in New York to provide first-time homebuyers in high foreclosure areas with loan counseling and aid before they purchase a new home.

“Education is power,” Congresswoman Velázquez said. “With this new program, we will empower individuals to ask the right questions and protect themselves from unscrupulous practices that can turn the American dream of homeownership into a nightmare.”

Congresswoman Velázquez’s other proposal would increase work opportunities for public housing residents. With the city-wide unemployment rate of eight percent – the highest in two years – it is very important to provide working families with job opportunities. Congresswoman Velázquez’s amendment would set aside 30 percent of all labor costs on contracts worth more than \$500,000 to hire eligible residents.

### Grants Awarded to Our Community

Cypress Hills Child Care Corp.....\$787,138 Head Start early education program	N.Y.C. Comm. School District 19.....\$174,909 Grant for bilingual education
Yeshiva Gedloha OHS Yisrdel.....\$9,720 For “E-rate” Internet connections	St. Fortunat School.....\$12,637 For “E-rate” Internet Connections
St. Elizabeth Steon School.....\$5,724 For “E-rate” Internet connections	Transfiguration School.....\$5,970 For “E-rate” Internet connections
St. Stanislaus Kostka.....\$4,233 For “E-rate” Internet connections	St. Anthony-St. Alphonsus.....\$1,594 For “E-rate” Internet connections